

MY POLICY

FOR THE CONSTRUCTION OF THE

Canada Pacific Railway,

As a Government Work, with Irrefutable Arguments
in favor of this policy.

BY J. W. CROUTER.

Ever since the formation of the Dominion, I have believed that the Canadian Government should construct this railway as a Government work. And now that the Pacific scandal has been somewhat ventilated, I am more strongly of that opinion. If there is any money to be made by the construction of the railway, the people of Canada should share it, they have the best right. Should the undertaking prove a losing one, I for one do not wish 12 or any number more of honorable men to lose by it, if they have made their money honestly in other undertakings, I think that the Canadian people have too much honor to wish to deprive them of it, by having them invest their money in the construction of a railway. But, I hold the opinion that there is no danger that the railway will not prove remunerative, especially with 50,000,000 acres of land, and \$30,000,000 in gold, as a bonus, else why did that astute business man, Sir Hugh, desire so much to obtain the charter of it, with himself as President of the Company. The Government can get the railway constructed as cheaply as a company. If either construct it, it will have to be let in sections, to contractors. The Government can get tenders for its construction as cheap as a company, for the contractors will feel sure of his money if he constructs it under the Government.

The length of the line from a point on Lake Superior to Red River, is about 400 miles, and ought to be constructed and furnished with rolling stock for about \$25,000 per mile. The right of way will not have to be purchased; expensive station houses will not be needed at first on any portion of this part of the line, except at two points, one at Lake Superior and another at Red River. There are several lengthy stretches quite level, and free from trees between these two points. Reports state that the engineering difficulties are not great on this part of the line, though there are many difficult places for construction between Lake Superior eastward to Lake Nipissing, but this portion need not be constructed at present. I do not think that I have over estimated the cost of the line from Lake Superior to Red River, but rather underestimated it.

From the Red river to the eastern boundary of British Columbia,

the country is an extended plain, over which a light buggy can be driven the whole distance. Expensive stations will not be needed on this section, the right of way will not have to be purchased which is quite an item, the track will not have to be cleared of trees another heavy item saved, so that \$20,000 per mile ought to cover the cost of this section. The length of this portion of the line is about 1000 miles.

The line through British Columbia, will be the most difficult of construction. I estimate that this portion of the line will cost an average of \$50,000 per mile, though there are a number of stretches along the line in British Columbia, which will not cost more than railways constructed in Ontario, yet, there are some places where deep cuttings will have to be made in the rocks, and it may be that some tunnels will have to be driven. Taking the easy places with the more difficult, I think, I have placed the estimates quite high enough. The length of this portion of the line is about 600 miles.

Though I must confess that cannot be known with exactness how much this portion of the line will cost. The American Union Pacific Railway Co. has given some figures but I am satisfied that most companies are not very anxious to let the world know how little a railway costs. For if they show that their railway cost much they have a better argument in favor of large bonuses, and a high tariff for freight and passengers traffic. The way I estimate the cost of this portion of the line is this. The easy parts for construction requiring no deep rock cutting, I estimate at \$25,000 per mile, 500 miles of this portion would then cost \$12,500,000, leaving \$17,000,000 for the construction of 100 miles or an average of \$175,000 per mile. Surely enough.

The estimated cost of the line from Lake Superior to the Gulf of Georgia, which separates the Island of Vancouver from the mainland is as follows:—From Lake Superior to Red River is \$10,000,000; from Red River to the Rock Mountains, \$20,000,000; British Columbia section, 30,000,000, making a total of \$60,000,000.

That portion of the line between Lake Superior and Lake Nipissing, can be left in obedience until exhaustive surveys have demonstrated the most practicable route for this section. Or the line may be commenced at the Lake Nipissing terminus, and be proceeded with, somewhat slowly at first, expending about \$1,000,000 annually on it, and when the finances of the country will warrant it, its construction may be pushed on to final completion.

The line from Lake Superior to Equenault can be used as a summer route, which will answer all purposes as far as emigrants are concerned for years to come, also for the late autumn shipment of grain as far as Lake Superior, where it can be stored to be freighted by vessels in the spring. This is done now where there are lake ports, even contiguous to railways.

I will now endeavor to convince the general reader, as I believe I will convince every politician, that the Government can furnish the

means to complete the railway without embarrassing the finances of the country, and hence ought to do so in the interest of the country

Since Confederation they have been put under contract and partly completed, nearly 2,000 miles of railway in the four Provinces of Nova Scotia, New Brunswick, Quebec and Ontario. About 1500 miles of these railways are quite finished. The country has not been embarrassed by their construction, but quite the opposite, the country has greatly prospered, wages have been increased 50 per cent, commerce has been stimulated by the circulation of money for the construction of these railways, and manufacturies have been augmented. The people prosperous with plenty of money are more luxurious, the common people use more fine imported goods yielding revenue, instead of home manufactures yielding none, hence the reason why the Dominion revenue increased over 50 per cent in five years. The increase being \$5,820,110.

If then the country were able to project and to a great extent, complete nearly two thousand miles of railway, and, at the same time, fill the Dominion treasury, and the treasury of each of the Provinces full to overflowing, without increasing the custom and excize duties. Upon the basis of what argument, can it be shown that 2000 miles of the Pacific Railway cannot be completed in ten years.

On the basis of the \$80,000,000 in gold which the Government proposes to give a company (a sum equal to a bonus of \$10,000 per per mile) let the Gov't. issue \$60,000,000 of legal tender notes. These notes will be as good as gold for all purposes of commerce; as the experience of the people of Canada has already proved by the use of Dominion notes. Every business man uses these notes, and they do not depreciate in value because they are covered by gold held in deposit. Hence by this means we can use \$60,000,000 (sixty millions of dollars) for the railway, while we will be paying interest at the rate of 4 per cent. on only \$30,000,000. The wearing out and destruction of a portion of the Dominion notes will be equal to a good round rate of interest, say from 7 to 8 per cent. per annum, which would go to the credit of banks, capitalists and stock brokers if we borrowed the whole sum.

During the process of the construction of the railway, the Government ought to be able to sell to actual settlers 10,000,000 acres of land, at an average of \$8.50 per acre. This is lower than the American Railroad Co's. charge for poorer land. Their prices range from \$8 to \$10 per acre, making an average of \$8.50 per acre. Within the 20 mile limit on both sides of the railway line (not including that portion of the line which runs through Ontario, for Ontario will give nothing to the railway) there are about 51,000,000 acres of land.

If a railway company constructs the railway under the existing Charter, they will get the half of this. And they will have to get 25,000,000 more, either in a block or in alternate sections. If they get it in block it would of itself make a whole Province one hundred and fifty miles broad, and two hundred and fifty mile long; and for

ought we know, the company may get it in the South Saskatchewan Valley, possessing a climate equal to the most favored parts of Ontario, and a soil superior to it. But some readers will doubt that the late scheme proposed to grant so much land; but make the calculation yourself. A strip of land twenty miles wide, and two thousand miles long contains twenty-five millions and six hundred thousand acres of land. According to the Government scheme, the company was to get about sixty millions of acres of land for the Pacific and other railways. A portion of it in alternate sections ten miles wide and twenty miles deep on each side of the railway, and the balance somewhere else; and if the company helped the Government, well perhaps the company would have the privilege of choosing the location. Nor was the company to have any rocky land. If any of their sections were too rocky for sale, the company was to have the privilege of exchanging it for good land that would sell.

In the above described block of land, I have only taken into account the land grant to the Canada Pacific, proper other railways were to be built by the same company to connect with it, for which bonuses in the shape of additional land grants were to be given.

In case the company construct all the railways specified in the Charter, the size of the block I have referred to, would be greatly increased.

As soon as the Government have sold their lands at a cheaper rate the companies land would be in good demand, and they would get from \$8 to \$10 per acre, or an average of \$7.50 per acre. Hence they would get a land bonus which will be worth three hundred and seventy-five millions of dollars. Quite a nice little bonus. No wonder that Sir Hugh desired it so much. According to my scheme an eighty acre section at \$5 would amount to \$400. That is at the highest rate the Government would charge. But if a company constructs the Railway with the land bonus they will ask \$10 per acre, and for choice lots of land lying near stations will no doubt ask \$15 per acre.

When I have listened to the oft repeated story of the hardships of the settler in his struggle to maintain his family, make improvements, construct roads with markets far away and poor, and at the same time pay off a debt of ten or twelve hundred dollars for land that cost a company or speculator 25 cents to a dollar per acre, I have been sorely vexed that a law could not have been made and enforced to prevent such wrongs. If a company construct the railway they will not be obliged to sell their lands for less than I have stated. A bonus of \$10,000 a mile which the Government proposes to give them in gold, will grade the road and then it can be mortgaged for iron and rolling stock. The company would only need to raise money to pay interest on their mortgages. Suppose the balance to be \$70,000,000. The estimated cost of the entire line from Lake Nipissing to Esquemaunt is \$100,000,000. The company was to receive \$30,000,000 in gold, thus leaving the balance stated. The in-

terest on this sum at say five per cent (they might borrow money in the English market at this rate if well secured) would be \$8,500,000 three million and a half yearly. 500,000 acres sold yearly at \$7 per acre would yield this sum. It would take one hundred years to sell their entire grant if they sold only this quantity yearly. They could get this price for lands next stations and would not be obliged to sell for a less price; hence they would be able to hold their lands at a high figure for all time. Has not the Canada Land Company given them experience enough? Has not speculators in land given proof enough of the very bad policy in giving land to any one except the actual settler? This is a question worthy the consideration of every parent in Canada. Your son may wish to have a farm—he may not be able to purchase in the old settlements—if he gets land he must go to the new country, and endure all its disadvantages: lack of roads, schools, stores, manufacturies, houses, barns, fences, too much or too little woods being some of them, he will have enough to do to live and make himself comfortable, without paying \$1,000 in instalments of \$100 per year with interest at 8 per cent.

We have no proof that the Canada Railway Company will not charge this sum for lands anywhere near the railway, or even for good lands a little further off. American companies charge more than this for their best lands lying near stations. Men with only average business capacity will buy these lands, and after years struggling and some poor crops they will have to give back their lands to the railway company (railway land sharks may I be permitted to call them) with all their improvements for nothing—this land to be sold over again at a higher rate.

It is an unmanly, unfeeling argument to state that these people ought to look out and not purchase lands that they cannot pay for.

But it is the duty of every Government to protect the weak against the strong, for this was Government instituted. Hence the Government ought to hold these lands for actual settlers at prices within their reach and the payment of which will not distress them. But the people must remonstrate against any further spoliation of the public domain.

But some make the following objection. If the Government constructs the railway and run it, it will place too much power in its hands. But these objectors forget that the Government has under its control custom, excise and post-offices yielding a larger revenue and requiring a larger number of officials than will ever be required on the Pacific Railway. Should a company control the railway, the Director may dismiss any official, who may vote or use his political influence contrary to the wishes of the company. The Government would not dare to dismiss a worthy official, just for political reasons. All the official could do, would be to express his opinions. As Government salaried agent he could not vote.

But I think it is mere waste of powder and shot, to use the expression of Sir Hugh, to try and prove that the railway in the hands

of the Government would endanger the rights of the people half as much as it would be endangered by a company.

Have not the disclosures of the past few weeks been sufficient to show, that a rich corporation may through their wealth, demoralize voters sufficiently to secure unwise legislation, and the granting of an unwise Charter.

The Western States are now experiencing some of the evils arising, from having their railroads controlled by companies, instead of by the Government. It costs nearly the price of two bushels of corn to send one bushel from any State west of Illinois, to New York. Railway companies reap much of the profit of wheat, at the grower's expense. The price of wheat in New York, is not fixed by the demand there, but by the British markets. The price of broadstuffs in Liverpool rules the prices in New York. Inference if the railway company should increase or diminish their tariffs 50 cents it would neither add nor diminish the price in New York. The consumers in the Eastern States may be indifferent to the railway tariffs, but not so with the western people, they are affected materially by a high tariff, and they cannot help it, so long as the railways are controlled by companies. For a great majority vote would not compel any company to re-arrange their tariff in conformity to the peoples wishes. But let the railways be under the control of the Government, then the people can fix the passenger and freight tariffs according to the expressed wishes of the people at the polls.

There are thousands of farmers in Ontario, Quebec and the maritime Provinces, whose sons will settle in the fertile plains of our great North-West. Do they wish the produce arising from their toil, to be subject to tribute exorbitant and onerous by rapacious railway companies. Then let them sanction the construction of the Canadian Pacific Railway by a company.

There are hundreds of mechanics who will build shops and factories along the line of railway, is it desirable that these will pay a monopolist price for coal to a company, then sustain the policy of constructing the railway by a company. But let the Government construct the railway, and then the people through their representatives, can control the freight tariff on coal satisfactory to the farmers, and mechanics who must burn it in the west instead of wood. The manufacturer who indirectly, and directly, adds greatly to the wealth of the country, will be able to get it at a cost slightly beyond the cost of digging and freight, instead of at a cost 100 per cent greater if a company control the railway.

But again there are extensive forests in British Columbia. No part of these should be given to a company to monopolize. The cost on the transport of the lumber eastward to the almost woodless prairies between Red River and the Rocky Mountains should be but little more than the actual expense of car and engine wear and the wages of employees. No twenty or thirty per cent. profit should be considered by a Government, as would be by a company. The forest

too, along the line should not be monopolized by great capitalists, but it should be given in certain sized blocks to separate individuals on condition they erect mills within a specified time. These mill men would compete with each other and bring the lumber to a reasonable profit. I have been assured over and over again, by men who are in the business, that lumber can be sawn as cheaply by mills that cost from three to six thousand dollars as it can be by mills costing ten times this amount. Very large mills soon cut the logs adjacent to it, but logs brought a considerable distance cost good deal more; though in some places large mills are an advantage to the manufacture of lumber much more than to the consumer and settler. Large mills require the monopoly of large tracts of timber lands to the exclusion of smaller ones. Where large tracts of land are held for many years by monopolists the settler has to go a long distance to the great mill for lumber, which is a great inconvenience to him. But smaller mills would be built right into the settlement and manufacture lumber for the settler as well as for market. Let any one go into sections of country that have been settled after its abandonment by the lumberer, settled in many cases by men who bought their lands of lumbermen—who first stripped the land of the finest timber before they sold it, and always selling, remember, at prices from one to five and six hundred per cent more than it cost them—I repeat go into these settlements and ask these men if they believe large mills help the settlement of a country. But in places where the lumber cannot be shipped for lack of suitable conveyance, then the streams become available for floating logs down them to large mills, from whence it can be sent to market to the advantage of the manufacturer of lumber. But the Pacific Railway will furnish means for conveying lumber all along the line, hence there will be no need of large mills, and there ought to be no great monopoly of these timber lands to the detriment of any person, which would be the case if a company constructed the railway.

Many of our railways that we have helped so largely to build, will not carry cordwood to the detriment of the townspeople and farmers along the line, the companies preferring to see the farmers burn it rather than give them cars to freight it, because the companies fear it will increase the price of cord wood against themselves. I for one feel like this. Owners of railways in Canada have not given the people the best of satisfaction, but in some cases very poor satisfaction. I am in favor of giving the Government a trial.

Now to show that the Government can construct the railway and run it.

I have stated that the Government ought to be able to sell 10,000,000 acres of land, at an average of \$3.50 per acre, this would give a sum of \$35,000,000. Their are 50,000 yeoman in Canada who want farms, and would go west and work on the railway to earn money to buy them. These men would be replaced by migrants from the Old Country. The number drawn from Canada would hardly be noticed by the people, as it would take only about 250 from each county or riding. All of these men would not purchase land, but there are thousands of farmers who would go to purchase land for themselves and sons, in the fertile prairies of our great North West.

The policy which I advocate is this: that the Government should construct the railway and hold these lands for sale to the actual settler, and at the following rates:—Within five miles of stations, at \$5 per acre; beyond five and within ten miles, at \$4 per acre; beyond ten miles and within fifteen miles, at \$3 per acre; beyond fifteen miles and within twenty

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miles of stations, at \$2 per acre. This would give an average of \$8.50 per acre, if an equal quantity of each, at these prices, was sold. Everyone accustomed to the advantages of railways, knows that land within ten miles of a station is of far greater value than land twenty miles from it—for one can go to market and return the same day, thus saving a day's team work, which, in the time of fall plowing, is often worth many dollars to him. So likewise if only five miles from a station he can go two trips to market the same day, thereby saving a day over the man ten miles away. If every fifth lot along the line of railway should be sold during its construction at the prices stated, a sum of \$85,000,000 would be realized, which would leave a balance of \$25,000,000 on the cost of the line between Lake Superior and Esquemaunt, B. C. The sale of 10,000,000 acres of land at this rate, to say nothing of the sale of village and town lots at the stations, would leave a balance on the construction of the line from Lake Superior of \$25,000,000.

How to provide for this balance, and for the whole \$60,000,000 if no land is sold.

The construction of this railway will cause an increase in the revenue of from one to nine millions of dollars per year. Suppose the line from Lake Superior to Equimaunt, will be completed in ten years, and it will cost no more to complete it in that time than it will in a greater time, as it is only a question of men, and they can be got from Europe and Asia, as many as are needed. The sum of the increase of the revenue, during its construction, would be \$45,000,000, as this increase would be in consequence of the construction of the railway, it ought to be applied in diminishing the debt consequent on its construction.

If the Government expend one million dollars per year, on the line from Lake Nipissing westward, the balance unpaid if no land was sold would be \$24,000,000. Three years of this last increase of revenue, would wipe it all off, with a balance of three millions to good. Yet some will persist in reiterating that it is impossible to construct the railway in our time, and that Canada will not be able to construct it within the next 20 or as some say 50 years. I do like to hear these men talk, it amuses me.

Our Government backed by four millions of prosperous people—backed by thirty millions in gold—backed by a treasury filled to overflowing while the Government is constructing nearly seven hundred miles of railway and the people through companies aided by Government and municipal bonuses are constructing thirteen hundred miles more. Backed by all the land on both sides of a railway—not half of it. Backed by engineers and contractors not surpassed for energy and enterprise in any country, our Government backed by all these means, can construct the Pacific within ten years as surely as the American Union Pacific railway constructed their railway in a less time.

I stand prepared to form a party which will hurl from political power every man, party and clique of men who shall refuse to build this railway as a Government work.

